
1999 Annual Report

**Central Loop
Redevelopment Project Area**



Pursuant to 65 ILCS 5/11-74.4-5(d)

JUNE 30, 2000

June 30, 2000

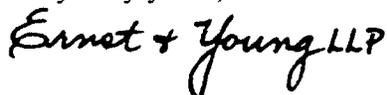
Mr. Christopher R. Hill
Commissioner
Department of Planning and Development
121 N. LaSalle St.
Chicago, Illinois 60602

Commissioner Hill:

Enclosed is the annual report for the Central Loop Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to Section 5(d) of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended. The contents are based on information provided to us by the Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed upon accounting and testing procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

It has been a pleasure to work with representatives from the Department of Planning and Development and other City departments.

Very truly yours,



Ernst & Young LLP

Central Loop Redevelopment Project Area 1999 Annual Report

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City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Christopher R. Hill
Commissioner

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June 30, 2000

Mr. Daniel W. Hynes
Comptroller
State of Illinois
Office of the Comptroller
201 Capitol
Springfield, IL 62706

Comptroller Hynes:

We have compiled the attached information for the Central Loop
Redevelopment Project Area (Report) pursuant to 65 ILCS 5/11-
74.4-5(d).

Very Truly Yours,

Christopher R. Hill
Commissioner
Department of Planning and Development

NEIGHBORHOODS



**Central Loop Redevelopment Project Area
1999 Annual Report**

(1) DATE OF DESIGNATION OR TERMINATION - 65 ILCS 5/11-74.4-5(d)(1.5)

The Project Area was designated by on June 20, 1984 as "North Loop," and amended on February 7, 1997 as "Central Loop." The Project Area may be terminated no later than June 20, 2007.

**Central Loop Redevelopment Project Area
1999 Annual Report**

(2) AUDITED FINANCIALS - 65 ILCS 5/11-74.4-5(d)(2)

Please see attached.

*City of Chicago, Illinois
Central Loop Redevelopment
Project*

Independent Auditors' Report

Financial Statements

*Years Ended December 31, 1999 and 1998,
Supplementary and Additional Information
Years Ended December 31, 1999 and 1998*

CITY OF CHICAGO, ILLINOIS

CENTRAL LOOP REDEVELOPMENT PROJECT

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**Deloitte
& Touche**

INDEPENDENT AUDITORS' REPORT

To the Honorable Richard M. Daley, Mayor, and
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying combined balance sheet of the City of Chicago, Illinois' Central Loop Redevelopment Project (Project) as of December 31, 1999, and the related combined statements of revenues, expenditures and changes in fund balance for the years ended December 31, 1999 and 1998. These combined financial statements are the responsibility of the management of the City of Chicago, Illinois. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the financial position of the Project as of December 31, 1999, and the results of its operations for the years ended December 31, 1999 and 1998 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The additional information, which is also the responsibility of the City's management, is presented for purposes of additional analysis and is not a required part of the financial statements, but is required by the Illinois Tax Increment Allocation Redevelopment Act of 1977. Such additional information (page 8) has been subjected to the auditing procedures applied in our audits of the combined financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the combined financial statements taken as a whole.

Deloitte & Touche LLP

June 22, 2000

**Deloitte
Touche
Tohmatsu**

CITY OF CHICAGO, ILLINOIS

CENTRAL LOOP REDEVELOPMENT PROJECT

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 1999, WITH COMPARATIVE TOTALS FOR 1998

	1999			Totals (Memorandum Only)	
	Governmental Funds	Agency Fund	General Long-Term Debt Account Group	1999	1998
ASSETS:					
Cash and cash equivalents (Note 2)	\$ 69,997.865	\$1,126.634		\$ 71,124.499	\$ 104,279.323
Investments (Note 2)	45,686.871	2,024.322		47,711.193	69,884.009
Cash and investments with escrow agent	44,439.825			44,439.825	44,445.825
Property tax receivable	45,945.521			45,945.521	37,161.000
Due from other funds					56.581
Accrued interest receivable	808.256	12.540		820.796	1,661.097
OTHER DEBITS:					
Amount available for debt service			\$ 47,706.834	47,706.834	43,769.256
Amount to be provided for retirement of long-term debt			123,693.166	123,693.166	143,230.744
TOTAL ASSETS AND OTHER DEBITS	\$206,878.338	\$3,163.496	\$171,400.000	\$381,441.834	\$444,487.835
LIABILITIES AND FUND BALANCE:					
Vouchers payable	\$ 8,913.950			\$ 8,913.950	\$ 3,147.520
Accrued liabilities	100.000	\$3,163.496		3,263.496	2,999.337
Due to other funds	14,378.708			14,378.708	1,393.924
Accrued interest payable	813.485			813.485	894.085
Deferred revenue	41,992.618			41,992.618	37,161.000
Bonds payable (Note 3)			\$171,400.000	171,400.000	187,000.000
Total liabilities	66,198.761	3,163.496	171,400.000	240,762.257	232,595.866
Fund balance:					
Reserved for debt service	47,706.834			47,706.834	43,769.256
Reserved for encumbrances (Note 5)	21,301.491			21,301.491	13,652.898
Designated for future redevelopment project costs	71,671.252			71,671.252	154,469.815
Total fund balance	140,679.577			140,679.577	211,891.969
TOTAL LIABILITIES AND FUND BALANCE	\$206,878.338	\$3,163.496	\$171,400.000	\$381,441.834	\$444,487.835

See notes to combined financial statements.

CITY OF CHICAGO, ILLINOIS

CENTRAL LOOP REDEVELOPMENT PROJECT

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ALL GOVERNMENTAL FUND TYPES YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998
REVENUES:		
Property taxes	\$ 40,416,457	\$ 36,846,876
Investment income	<u>8,026,030</u>	<u>11,467,010</u>
Total revenues	48,442,487	48,313,886
EXPENDITURES:		
Capital projects	65,138,023	47,706,984
Principal retirement	15,600,000	
Interest expense	<u>9,834,325</u>	<u>10,411,766</u>
Total expenditures	<u>90,572,348</u>	<u>58,118,750</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(42,129,861)	(9,804,864)
OTHER FINANCING SOURCES (USES):		
Sale of land	3,417,469	
Operating transfers out (Note 4)	<u>(32,500,000)</u>	<u>(51,500,000)</u>
Total other financing sources (uses)	<u>(29,082,531)</u>	<u>(51,500,000)</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(71,212,392)	(61,304,864)
FUND BALANCE, BEGINNING OF YEAR	<u>211,891,969</u>	<u>273,196,833</u>
FUND BALANCE, END OF YEAR	<u>\$ 140,679,577</u>	<u>\$ 211,891,969</u>

See notes to combined financial statements.

CITY OF CHICAGO, ILLINOIS

CENTRAL LOOP REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 1999 AND 1998

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Project - The Central Loop Redevelopment Project (Project) was established as a Tax Increment Financing (TIF) district by the City of Chicago, Illinois (City) in 1997. The Project is an extension of the North Loop Redevelopment Project established in 1986. The area has been established to finance improvements, leverage private investment, and create and retain jobs. Reimbursements, if any, are made to the developer for Project costs as public improvements are completed and pass City inspection.

Fund Accounting - The Project uses fund accounting to organize its accounts on the basis of funds and account groups, each of which is a separate accounting entity, with a separate set of self-balancing accounts as follows:

- **Governmental Funds** - The Project is accounted for within the capital projects, debt service and special revenue funds of the City. Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities. Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt and related costs. Special revenue funds account for the proceeds of specific revenue sources requiring separate accounting because of legal, grant or regulatory provisions or administrative action. These funds are presented herein on a combined basis.
- **Agency Fund** - An agency fund accounts for assets held by the Project in a trustee capacity for a developer deposit. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.
- **General Long-Term Debt Account Group** - The general long-term debt account group accounts for all long-term obligations of the Project.

Basis of Accounting - Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting with only current assets and current liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

Management's Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Encumbrances - Encumbrances are purchase orders, contracts and other commitments for expenditures of funds and are recorded to reserve that portion of the applicable appropriation. Encumbrances are reported as reservations of fund balances because they do not constitute expenditures or liabilities.

Cash, Cash Equivalents and Investments - The bond proceeds and incremental taxes associated with the Project are deposited with the City Treasurer or a trust account. The Municipal Code of Chicago (Code) permits deposits only to City Council-approved depositories, which must be regularly organized state or national banks and federal and state savings and loan associations, located within the City, whose deposits are federally insured. The City uses separate escrow accounts in which certain tax revenues are deposited and held for payment of general obligation debt.

Investments authorized by the Code include interest-bearing general obligations of the City, State of Illinois (State), and U.S. Government; U.S. treasury bills and other non-interest-bearing general obligations of the U.S. Government purchased in the open market below face value; domestic money market funds regulated and in good standing with the Securities and Exchange Commission; and tax anticipation warrants issued by the City. The City is prohibited by ordinance from investing in derivatives, as defined, without City Council approval.

Investments, generally, may not have a maturity in excess of one year from the date of purchase. Certain other investment balances are held in accordance with the specific provisions of the applicable bond ordinance.

Cash equivalents include certificates of deposit and other investments with maturities of three months or less when purchased.

Property Taxes - Property taxes are recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end.

Fixed Assets - Fixed assets are not capitalized in the general operating funds but, instead, are charged as current expenditures when purchased. The General Fixed Asset Account Group of the City includes the capital assets, if any, of the Project.

Total Columns - Total Columns used on the balance sheet are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present the financial position of the Project in conformity with generally accepted accounting principles, and, thus, are not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these data.

Reclassifications - Certain reclassifications have been made to the 1998 financial statements to conform to 1999 presentation.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits - Certain deposits with the City Treasurer are commingled and invested by the Treasurer with deposits from other City funds; accordingly, it is not practical to disclose the related bank balance of such cash deposits for the Project. Of the City Treasurer's total bank balances at December 31, 1999 and 1998, \$344.6 million or 98.6 percent and \$237.7 million or 99.1 percent, respectively, were either insured or collateralized with securities held by City agents in the City's name. The remaining balances were uninsured and uncollateralized.

Investments - Investments are categorized to give an indication of the level of credit risk. Category 1 includes investments that are insured or registered in the City's name or the securities were held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or its agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution or counterparty, or by its trust department or agent, but not in the City's name. Pooled funds include primarily money market accounts. The following table provides a summary for all Project funds at December 31, 1999 and 1998:

Description	Risk Category	1999	1998
U.S. Government obligations	1	\$ 45,060,805	\$ 80,368,528
Commercial paper	1	5,485,369	
Noncategorized - pooled funds		<u>61,056,794</u>	<u>85,390,865</u>
Total		<u>\$111,602,968</u>	<u>\$165,759,393</u>

The following reconciles the fair value of investments to the financial statements:

	1999	1998
Investments	\$ 47,711,193	\$ 69,884,009
Investments included in cash and cash equivalents	<u>63,891,775</u>	<u>95,875,384</u>
Total	<u>\$111,602,968</u>	<u>\$165,759,393</u>

3. BONDS PAYABLE

In November 1997, the City authorized and issued the City of Chicago Tax Increment Allocation Bonds (Central Loop Redevelopment Project) \$96,000,000 Series 1997A and \$91,000,000 Taxable Series 1997B. The bonds have interest rates ranging from 4.5 percent to 6.375 percent and have maturity dates ranging from June 1, 1999 to June 1, 2007. Certain net proceeds (\$166,623,000) are to be used to finance redevelopment of the TIF district. The amount outstanding is recorded in the City's general long-term debt account group.

The following summarizes debt service requirements as of December 31, 1999:

December 31	Principal	Interest	Total
2000	\$ 16,800,000	\$ 8,932,425	\$ 25,732,425
2001	18,100,000	7,852,300	25,952,300
2002	18,600,000	6,705,425	25,305,425
2003	20,100,000	5,483,487	25,583,487
2004	23,200,000	4,303,925	27,503,925
2005-2007	<u>74,600,000</u>	<u>5,967,025</u>	<u>80,567,025</u>
Total	<u>\$ 171,400,000</u>	<u>\$ 39,244,587</u>	<u>\$ 210,644,587</u>

4. OPERATING TRANSFERS OUT

During 1999 and 1998, in accordance with State statutes, the Project transferred \$2,500,000 and \$10,500,000, respectively, to the contiguous River South Redevelopment Project for the construction of the District 1 Police Station and other public improvements. Also during 1999 and 1998, the Project transferred \$30,000,000 and \$41,000,000, respectively, to the City's General Fund relating to initial start-up costs funded by the City.

5. COMMITMENTS

As of December 31, 1999 and 1998, the Project has entered into contracts for services and construction projects for approximately \$21,300,000 and \$13,650,000, respectively.

* * * * *

CITY OF CHICAGO, ILLINOIS

CENTRAL LOOP REDEVELOPMENT PROJECT

SCHEDULES OF EXPENDITURES BY STATUTORY CODE YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998
EXPENDITURES:		
Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal and marketing	\$ 1,826,621	\$ 2,132,517
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights and interests therein, demolition of buildings, and the clearing and grading of land	14,647,605	4,658,383
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	12,255,911	20,667,000
Costs of the construction of public works or improvements	36,249,870	19,920,495
Costs of job training and retraining projects	25,788	35,228
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	25,434,325	10,443,071
Costs of relocation to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law	132,228	262,056
TOTAL EXPENDITURES	<u>\$90,572,348</u>	<u>\$58,118,750</u>

**Central Loop Redevelopment Project Area
1999 Annual Report**

(3) MAYOR'S CERTIFICATION - 65 ILCS 5/11-74.4-5(d)(3)

STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

Daniel W. Hynes
Comptroller
State of Illinois
201 Capitol
Springfield, Illinois 62706

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Rm. 1149
Chicago, Illinois 60606

Gwendolyn Clemons, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 2900
Chicago, Illinois 60602

Dean L. Viverito, Comptroller
Forest Preserve District of Cook County
536 North Harlem Avenue
River Forest, Illinois 60305

Michael Koldyke, Chairman
Chicago School Finance Authority
135 S. LaSalle Street, Suite 3800
Chicago, Illinois 60603

David Doig, General Superintendent & CEO
Chicago Park District
425 East McFetridge Drive, 2d Fl. East
Chicago, Illinois 60605

Paul Vallas, Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

Andy Justo, Accounting Manager
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Lawrence Gulotta, Treasurer
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

I, RICHARD M. DALEY, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the Central Loop Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

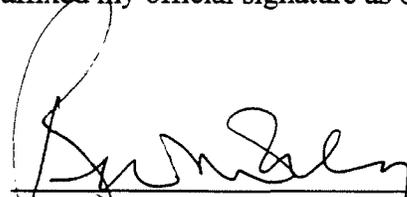
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 1999, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2000.

A handwritten signature in black ink, appearing to read "Richard M. Daley", is written over a horizontal line. A vertical line extends downwards from the end of the signature.

Richard M. Daley, Mayor
City of Chicago, Illinois

**Central Loop Redevelopment Project Area
1999 Annual Report**

(4) OPINION BY LEGAL COUNSEL - 65 ILCS 5/11-74.4-5(d)(4)



City of Chicago
Richard M. Daley, Mayor

Department of Law

Mara S. Georges
Corporation Counsel

City Hall, Room 600
121 North LaSalle Street
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(312) 744-2963 (TTY)

<http://www.ci.chi.il.us>

June 30, 2000

Daniel W. Hynes
Comptroller
State of Illinois
201 Capitol
Springfield, Illinois 62706

Dolores Javier, Treasurer
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226 West Jackson Boulevard, Rm. 1149
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69 West Washington Street, Room 2900
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425 East McFetridge Drive, 2d Fl. East
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125 South Clark Street, 5th Floor
Chicago, Illinois 60603

Andy Justo, Accounting Manager
Metropolitan Water Reclamation
District of Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Lawrence Gulotta, Treasurer
South Cook County Mosquito
Abatement District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Re: Central Loop
Redevelopment Project Area (the "Redevelopment Project Area")

Dear Addressees:

I am Corporation Counsel of the City of Chicago, Illinois (the "City"). In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings

NEIGHBORHOODS



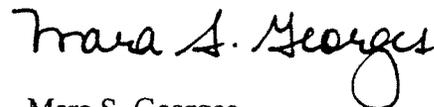
affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Housing, Department of Finance and Office of Budget and Management, have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Mara S. Georges
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

Central Loop Redevelopment Project Area 1999 Annual Report

(5) ANALYSIS OF TIF FUND - 65 ILCS 5/11-74.4-5(d)(5)

COMBINED STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 1999

Revenues	1999
Property tax	\$ 40,416,437
Sales tax	-
Other	-
Interest	8,026,030
Total revenues	48,442,487
Expenditures	
Costs of studies, admin., and professional services.	1,826,621
Marketing costs.	-
Property assembly, demolition, site preparation and environmental site improvement costs.	14,647,605
Costs of rehabilitation, reconstruction, repair or remodeling and of existing buildings.	12,255,911
Costs of construction of public works and improvements.	36,249,870
Cost of job training and retraining.	25,788
Financing costs.	25,434,325
Approved capital costs of overlapping taxing districts.	-
Cost of reimbursing school district for their increase costs caused by TIF assisted housing projects.	-
Relocation costs.	132,228
Payments in lieu of taxes.	-
Costs of job training, retraining advanced vocational or career education provided by other taxing bodies.	-
Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects.	-
Costs of construction of new housing units for low income and very low income households.	-
Cost of day care services and operational costs of day care centers.	-
Total expenditures	90,572,348
Revenues under expenditures	(42,129,861)
Other financing sources (uses)	
Proceeds of debt	-
Sale of land	3,417,469
Transfers in	-
Transfers out	(32,500,000)
Revenues and other financing sources (uses) under expenditures	(71,212,392)
Fund balance, beginning of year	211,891,969
Fund balance, end of year	\$ 140,679,577
Fund balance	
Reserved for debt service	\$ 47,706,835
Reserved for encumbrances	\$ 21,301,491
Designated for future redevelopment project costs	\$ 71,671,252
Total fund balance	\$ 140,679,578

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(6) DESCRIPTION OF PROPERTY - 65 ILCS 5/11-74.4-5(d)(6)

During 1999, the City did not purchase any property in the Project Area.

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(7) STATEMENT OF ACTIVITIES - 65 ILCS 5/11-74.4-5(d)(7)

- (a)** Projects implemented in the preceding fiscal year. Table 7(a)
- (b)** A description of the redevelopment activities undertaken.
- (c)** Agreements entered into by the City with regard to disposition or redevelopment of any property within a TIF area. Table 7(c)
- (d)** Additional information on the use of all TIF Funds received in a TIF area and steps taken by the City to achieve objectives of the plan.
- (e)** Information on contracts that the City's consultants have entered into with parties that have received, or are receiving payments financed by TIF revenues produced by the TIF area. Table 7(e)
- (f)** Joint Review Board Reports submitted to the City.
- (g)** Project-by-project review of public and private investment undertaken to date after the new TIF Act and expected to be undertaken in the following year, and ratio of private investment to public investment to the date of the report and as estimated to the completion of the redevelopment project. Table 7(g)

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(7)(a) - 65 ILCS 5/11-74.4-5(d)(7)(a)

TABLE 7(a)
PROJECTS IMPLEMENTED IN THE PRECEDING FISCAL YEAR

NAME
OF PROJECT

Chicago Oxford State Cte, LLC (Info-Tech) Fisher Building Mentor Building, LLC

(7)(b) - 65 ILCS 5/11-74.4(d)(7)(b)

Redevelopment activities undertaken within this Redevelopment Project Area during the preceding fiscal year, if any, have been made pursuant to i) the Redevelopment Plan for the Area, and ii) the one or more Redevelopment Agreements affecting the Area, and are set forth on Table 5 herein by TIF-eligible expenditure category.

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(7)(c) - 65 ILCS 5/11-74.4(d)(7)(c)

**AGREEMENTS ENTERED INTO WITH REGARD TO THE DISPOSITION & REDEVELOPMENT OF
PROPERTY WITHIN THE REDEVELOPMENT PROJECT AREA**

PARTIES TO AGREEMENT WITH MUNICIPALITY	NATURE OF AGREEMENT	PROJECT DESCRIPTION	ADDRESS	JOBS CREATED AND/OR RETAINED
Chicago Oxford Associates, L.P.	Redevelopment Agreement	Support rehabilitation of vacant hotel for new hotel and restaurant	225 N. Wabash	Creating 155 full and part time jobs
State Cite, L.L.C. (Info-Tech)	Redevelopment Agreement	Support novel rehabilitation of historically significant building for information technology (IT) office and light industrial use	Jackson & State	Creating 23 retail full time and 262 IT full time jobs
343 South Dearborn I, L.L.C, and 343 South Dearborn II, L.L.C (Fisher Building)	Redevelopment Agreement	Support acquisition and rehabilitation of landmark office building for office, residential and retail use	343 S. Dearborn	Creating 10 full time and 300 construction jobs
Mentor Building, L.L.C.	Redevelopment Agreement	Support rehabilitation of historically significant building for retail office and residential uses	State & Monroe	n/a

(7)(d) - 65 ILCS 5/11-74.4(d)(7)(d)

The district has received cumulatively \$ 282,060,432 of property tax and sales tax (if applicable) increment. These amounts have been used to pay for project costs within the district and debt service (if applicable). The district's fund balance shown in Table 5 represents financial resources on a modified accrual basis of accounting that has not been expended.

(7)(e) - 65 ILCS 5/11-74.4(d)(7)(e)

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(7)(e) - 65 ILCS 5/11-74.4(d)(7)(e)

TABLE 7(e)
DESCRIPTION OF EXTERNAL CONTRACTS RELATED TO THE AREA - CITY TIF CONSULTANTS

Municipal TIF Consultants or Advisors that Contract with Private Entities Benefiting from this TIF.	Purpose of Contract	Dates and duration of contract	Basis for Compensation under Contract
Trkla, Pettigrew, Allen & Payne, Inc.	Redevelopment Plan & Project Sears, Roebuck and Co.	June 1998 to June 1999	Hourly

(7)(f) - 65 ILCS 5/11-74.4(d)(7)(f)

During 1999, no reports were submitted to the City by the Joint Review Board.

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TABLE 7(g)
PROJECT BY PROJECT REVIEW OF PUBLIC AND PRIVATE INVESTMENT
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT *

Projects Undertaken in This Redevelopment Project Area	Private Investment Undertaken		Public Investment Undertaken		Ratio Of Private/Public Investment	
	11/1/99 to date	estimated to complete project	11/1/99 to date	estimated to complete project	11/1/99 to end of reporting FY	estimated to complete project
Project 1: Chicago Oxford	n/a	\$ 25,800,000	n/a	\$ 1,700,000	n/a	15.176
Project 2: State Cite	n/a	\$ 28,521,000	n/a	\$ 8,000,000	n/a	3.565
Project 3: Fisher Building	n/a	\$ 27,280,973	n/a	\$ 6,600,000	n/a	4.133
Project 4: Mentor Building	n/a	\$ 9,006,161	n/a	\$ 2,500,000	n/a	3.602
Total:	n/a	\$ 90,608,134	n/a	\$ 18,800,000	n/a	4.820

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Projects Estimated To Be Undertaken During 2000	Private Investment Undertaken	Public Investment Undertaken	Ratio Of Private/Public Investment
Project 1: 201 N. Wells L.L.C.	\$33,602,000	\$7,000,000	4.800
Project 2: 330 South Michigan	\$21,308,030	\$2,030,000	10.497
Project 3: Ethnicgrocer.com	\$1,200,000	\$1,200,000	1.000
Project 4: One North Dearborn, L.L.C.	\$124,055,809	\$13,500,000	9.189
Project 5: Randolph Properties Ltd. Partnership	\$2,368,745	\$871,895	2.717
Project 6: St. George Hotel, L.L.C.	\$76,200,000	\$5,000,000	15.240
Project 7: Trans World Airlines, Inc.	\$0	\$250,000	n/a
Project 8: Chicago Symphony Orchestra	\$67,000,000	\$2,500,000	26.800
Project 9: One South State Street, LLC	\$57,830,743	\$5,150,000	11.229
Total:	\$383,565,327	\$37,501,895	10.228

* Each Public Investment amount reported below is the maximum public investment amount that could be made under the provisions of the corresponding Project/Redevelopment Agreement and may not necessarily reflect actual expenditures, if any, as reported under Sections 2 or 5 herein. (The total public investment ultimately made under the Project/Redevelopment Agreement will depend upon the future occurrence of various conditions set forth in that agreement.)

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**(8) DOCUMENTS RELATING TO OBLIGATIONS ISSUED BY THE CITY - 65 ILCS
5/11-74.4-5(d)(8)(A)**

During 1999, there were no obligations issued for this Project Area.

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(9) ANALYSIS OF DEBT SERVICE - 65 ILCS 5/11-74.4-5(d)(8)(B)

During 1999, there were no obligations issued for the Project Area.

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(10) CERTIFIED AUDIT REPORTS - 65 ILCS 5/11-74.4-5(d)(9)

Please see attached.

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**Deloitte
& Touche**

INDEPENDENT AUDITORS' REPORT

To the Honorable Richard M. Daley, Mayor, and
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined balance sheet of the City of Chicago, Illinois' Central Loop Redevelopment Project (Project) as of December 31, 1999, and the related combined statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated June 22, 2000.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions of Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act insofar as they relate to financial and accounting matters. However, our audit was not directed primarily toward obtaining knowledge of noncompliance with such subsection.

This report is intended solely for the information and use of the management of the City of Chicago, the Project and the State of Illinois, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

June 22, 2000

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(11) GENERAL DESCRIPTION

The Project Area is generally bounded by Wacker Drive on the north, Michigan Avenue on the east, Congress Parkway on the south, and Dearborn, LaSalle, and North Franklin streets on the west. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan.

